



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 27 2006

REPLY TO THE ATTENTION OF:

AE-17J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Doug Harris
General Manager
Veolia Environmental Services
#7 Mobile Avenue
Sauget, Illinois 62201

Dear Mr. Harris:

This is to advise you that the United States Environmental Protection Agency (U.S. EPA) has determined that Veolia Environmental Services' facility at #7 Mobile Avenue, Sauget, Illinois is in violation of the Clean Air Act (CAA) and Resource Conservation and Recovery Act (RCRA) and associated state or local pollution control requirements. A list of the requirements violated is provided below. A Finding of Violation and Notice of Violation (FOV/NOV) for these violations is being issued and is enclosed.

The CAA requires the development of Primary and Secondary National Ambient Air Quality Standards to protect public health and welfare. To attain and maintain these standards, each State is required to develop an implementation plan. The Illinois State Implementation Plan (Illinois SIP) includes the following requirement:

1) A source that has maximum theoretical emissions of 100 tons or more per calendar year of VOM and is not limited to less than 100 tons of volatile organic material (VOM) emissions per calendar year in the absence of air pollution control equipment, through production or capacity limitations contained in a federally enforceable permit or a SIP revision, must control their emissions by 81% overall. The purpose of VOM standards is to reduce the amount of ground level ozone formed, which may cause shortness of breath, coughing, wheezing, and eye and nose irritation.

The CAA also requires the development of regulations to protect and enhance the quality of the nation's air so as to promote public health and welfare and the productive capacity of its population. To attain and maintain these standards the U.S. EPA has developed emission standards as the National Emission Standards of Hazardous Air Pollutants (NESHAP) and emission standards to reflect the Maximum Achievable Control Technology (MACT). Hazardous air pollutants (HAPs) may cause serious health effects including birth defects and cancer. They may also cause harmful environmental and ecological effects. The RCRA and Illinois Administrative Code (IAC) have similar requirements. The NESHAPs and MACTs and, in part, the RCRA and IAC include the following requirements:

- 1) Each open-ended valve or line at the facility shall be equipped with a cap, blind flange, plug or a second valve and each open-ended valve or line equipped with a second valve shall be operated in a manner such that the valve on the process fluid end is closed before the second valve is closed.
- 2) A list of identification numbers for all equipment subject to the requirements of the subpart shall be recorded in a log that is kept in a readily accessible location.
- 3) An owner or operator must test equipment for compliance with no detectable emissions following Method 21 and an owner or operator of each stationary source must maintain and operate the source, including associated equipment for air pollution control, in a manner consistent with good air pollution control practice for minimizing emissions.
- 4) A source must commence the initial comprehensive performance testing on an incinerator not later than six months after the compliance date.
- 5) A source must limit its combined emissions of arsenic, beryllium, and chromium to 97 dry standard cubic meters.

EPA finds that Veolia has violated the above listed Illinois SIP, IAC, RCRA, NESHAP and MACT requirements.

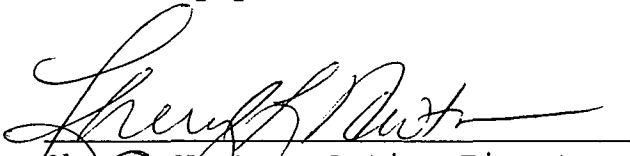
Section 113 of the CAA and Section 3008 of the RCRA give us several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing

an administrative penalty order, bringing a judicial civil action, and bringing a judicial criminal action. The option we select, in part, depends on the efforts taken by Veolia to correct the alleged violations and the timeframe in which you can demonstrate and maintain continuous compliance with the requirements cited in the FOV/NOV.

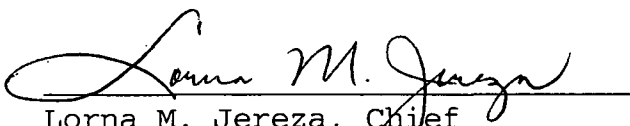
Before we decide which enforcement option is appropriate, Section 113 of the CAA provides you with the opportunity to request a conference with us about the violations alleged in the FOV/NOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contacts in this matter are Sarah Marshall, Air and Radiation Division, and Spiros Bourgikos, Waste Pesticides and Toxics Division. You may call Ms. Marshall at (312) 886-6797 or Mr. Bourgikos at (312) 886-6862 if you wish to request a conference. EPA hopes that this FOV/NOV will encourage Veolia's compliance with the requirements of the Clean Air Act and the Resource Conservation and Recovery Act.

Sincerely yours,



Cheryl Newton, Acting Director
Air and Radiation Division



Lorna M. Jereza, Chief
Compliance Section 1
Enforcement and Compliance Assurance Branch
Waste, Pesticides and Toxics Division

Enclosure

cc: Julie Armitage, Acting Chief
Compliance and Systems Management Section
Illinois Environmental Protection Agency

Todd Marvel
Illinois Environmental Protection Agency

United States Environmental Protection Agency

IN THE MATTER OF:)	
)	
Veolia Environmental Services)	NOTICE OF VIOLATION and
)	FINDING OF VIOLATION
Proceedings Pursuant to)	
the Clean Air Act,)	EPA-5-06-28-IL
42 U.S.C. §§ 7401 et seq. and)	
the Resource Conservation and)	
Recovery Act, 42 U.S.C. §§)	
6901 et seq.)	

NOTICE AND FINDING OF VIOLATION

Veolia Environmental Services (you or Veolia) (formerly known as Onyx Environmental Services) owns and operates three hazardous waste incinerators, two tank farms and two material processing units at #7 Mobile Avenue, Sauget, Illinois (Facility). The incinerators are identified as Incinerators 2,3 and 4, the tank farms as 1 and 3 and the material processing areas as MP-1 and MP-2.

U.S. EPA is sending this Notice of Violation and Finding of Violation (NOV/FOV or Notice/Finding) to you for: (1) uncontrolled emissions of volatile organic material (VOM) from MP-1 and MP-2; (2) open-ended lines conveying VOM and hazardous air pollutants (HAPs) in the tank farms; (3) not including connectors for lines conveying VOM and HAPs in the tank farms on list of monitored equipment; (4) exceeding breakthrough limits on the carbon canisters, which controls benzene, HAP, and VOM emissions from the tank farms; (5) late performance of the initial testing on Incinerator 3 as required by the National Emission Standards for Hazardous Air Pollutants regulations; and (6) exceeding the NESHAP limit for arsenic, beryllium, and chromium at Incinerator 3. The underlying statutory and regulatory requirements include provisions of the Clean Air Act (CAA) and the Resource Recovery and Conservation Act (RCRA) and their respective implementing regulations and the Illinois State

Implementation Plan (Illinois SIP) and Administrative Code (IAC).

Section 113 of the CAA provides you with the opportunity to request a conference with us to discuss the violations alleged in the FOV/NOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for the Facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

Explanation of Violations

The following provides a description of the regulations Veolia violated and how Veolia violated them:

1. The Illinois SIP at Part 219 regulates organic material emissions, which includes volatile organic compounds, for the Metro East Area. Subpart TT of the Part 219 includes the rules for emission units not regulated under the other subparts of Part 219.

a. Subpart TT of the Illinois SIP, Section 219.980, states that a source is subject to the rules of Subpart TT if the source contains process emission units¹ that as a group both have maximum theoretical emissions of 100 tons or more per calendar year of VOM and are not limited to less than 100 tons of volatile organic material (VOM or VOC) emissions per calendar year in the absence of air pollution control equipment through production or capacity limitations contained in a federally enforceable permit or a SIP revision. Subpart TT requires a source to install and operate controls to reduce VOM emissions by at least 81%.

b. Based on an evaluation of the maximum throughput information and maximum possible VOC material processed in the material processing units, MP-1 and MP-2, U.S. EPA has determined that the maximum theoretical emissions from MP-1 and MP-2 exceed 100 tons per year of VOC. Therefore, MP-1 and MP-2 are required to be controlled by 81% overall control.

¹ Sources regulated under Subparts B, E, F, H, Q, R, S, T, V, X, Y, Z, AA, BB, PP, QQ, or RR of Part 219 are not subject to Subpart TT requirements.

2. 40 C.F.R. Part 61 Subpart V regulates hazardous air pollutant emissions, which include benzene and vinyl chloride, from equipment leaks.
 - a. 40 C.F.R. §§ 61.242-6(a) and (b), 35 Illinois Administrative Code (IAC) § 725.956(a)(1) [40 C.F.R. § 265.1056(a)(1)] require that each open-ended valve or line shall be equipped with a cap, blind flange, plug or a second valve and each open-ended valve or line equipped with a second valve shall be operated in a manner such that the valve on the process fluid end is closed before the second valve is closed.
 - b. 40 C.F.R. § 61.246(e)(1), 35 IAC § 725.964(b)(1)(A) [40 C.F.R. § 265.1064(b)(1)(i)] require a source to record on a log that is kept in a readily accessible location the identification numbers for all equipment subject to the requirements of Subpart V (CAA) and Subpart BB (RCRA).
 - c. During an inspection the week of May 15, 2006, at the Veolia facility, comparative Leak Detection and Repair (LDAR) monitoring was conducted by U.S. EPA. As a result of the comparative monitoring, U.S. EPA found 11 opened-ended valves. Veolia also kept an incomplete list of components to be monitored. The connectors were not included on the list.
3. 40 C.F.R. Part 61 Subpart FF provides emission standards for benzene waste operations.
 - a. 40 C.F.R. § 61.354 (h), requires that an owner or operator must test equipment for compliance with no detectable emissions following Method 21. 40 C.F.R. § 61.12(c) requires that an owner or operator of each stationary source must maintain and operate the source, including associated equipment for air pollution control, in a manner consistent with good air pollution control practice for minimizing emissions.
 - b. During the May inspection at the Veolia facility, U.S. EPA conducted comparative LDAR monitoring. As a result of the comparative monitoring, U.S. EPA found that 2 of the 18 carbon canisters (11.1%) that were monitored exceeded the breakthrough limit of 1275 ppm VOM. Veolia monitors its 19 carbon canisters biweekly. Upon review of Veolia's

monitoring records, from January 2001 until the time of U.S. EPA's inspection, 20 carbon canisters have exceeded the aforementioned breakthrough limit. Thus, Veolia's historical breakthrough rate is 0.19%, which is significantly lower than the 11.1% of breakthroughs that U.S. EPA found during the inspection. This leads U.S. EPA to find that Veolia is not conducting the LDAR monitoring in accordance with the appropriate methodology.

4. 40 C.F.R. Part 63, Subpart EEE provides the emission standards for HAPs from hazardous waste combustors.
 - a. 40 C.F.R. § 63.1207(c), requires that a source must commence the initial comprehensive performance testing on an incinerator to determine if its operations are in compliance with the applicable HAPs standard not later than six months after the compliance date.
 - b. Veolia tested Incinerator 3 on May 10 and 11, 2006, which is later than six months after Veolia's compliance date of December 30, 2004.
 - c. 40 C.F.R. § 63.1203(a)(4) prohibits the emission of arsenic, beryllium, and chromium, combined, over 97 micrograms per dry standard cubic meter (ug/dscm).
 - d. Veolia tested Incinerator 3 emissions on May 10 and 1, 2006. The test results showed total low volatile emissions including arsenic, beryllium and chromium at 249 ug/dscm in excess of the regulatory standard of 97 ug/dscm.

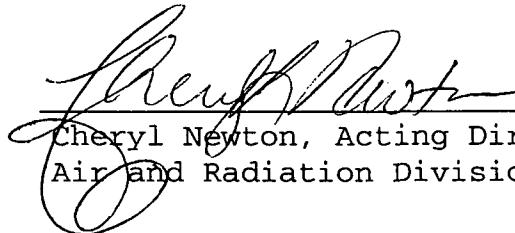
Environmental Impact of Violations

5. Violation of VOM standards increases the amount of ground level ozone. Ozone may cause shortness of breath, coughing, wheezing, and eye and nose irritation. Ozone is especially dangerous to older adults, children, asthmatics and persons with other chronic respiratory ailments.
6. Violation of HAP standards may cause serious health effects including birth defects and cancer. HAPs may also cause harmful environmental and ecological effects.

7. Violation of Benzene standards may cause serious health effects including cancer of the lymph system, lung cancer and bladder cancer.

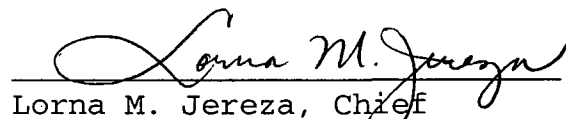
Date

9/27/04


Cheryl Newton, Acting Director
Air and Radiation Division

Date

9/26/06


Lorna M. Jereza, Chief
Compliance Section 1
Enforcement and Compliance
Assurance Branch
Waste, Pesticides and Toxics
Division

CERTIFICATE OF MAILING


I, Betty Williams, certify that I sent a Notice and Finding of Violation, No. EPA-5-06-28-IL, by Certified Mail, Return Receipt Requested, to:

Doug Harris
General Manager
Veolia Environmental Services
#7 Mobile Avenue
Sauget, Illinois 62201

I also certify that I sent copies of the Finding of Violation and Notice of Violation by first class mail to:

Julie Armitage, Acting Chief
Compliance and Systems Management Section
Illinois Environmental Protection Agency
1021 North Grand Avenue
Springfield, Illinois 62702

on the 27th day of September, 2006.


Betty Williams, Secretary
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 70010320000614550228